

**Staff  
Summary  
Report**



**To: Mayor and City Council  
Through: City Manager**

**Agenda Item Number 40  
Meeting Date: 11/01/01**

**SUBJECT: RIO SALADO ANNEXATION AREA - PART II #ZON-2001.07**

**PREPARED BY:** Hector Tapia, Senior Planner (480-350-8331)

**REVIEWED BY:** Dave Fackler, Development Services Manager (480-350-8333)

**BRIEF:** This is the first public hearing for the Rio Salado Annexation Area to appeal the Planning & Zoning Commission decision to deny the request for a zoning change for 50.3 acres from AG Agricultural District and I-2 General Industrial District to I-3 Heavy Industrial District.

**COMMENTS:** **PLANNED DEVELOPMENT (0406) ORDINANCE NO. 808.2001.07** Hold the first public hearing for **RIO SALADO ANNEXATION AREA – PART II** (H. L. Kelly, property owner and authorized representative on behalf of property owners of the Rio Salado Annexation Area) for a zoning change from AG Agricultural District and I-2 General Industrial District to I-3 Heavy Industrial District. The following approval is requested from the City of Tempe:

**#ZON-2000.06 ORDINANCE NO. 808.2001.07** A zoning change from AG Agricultural District and I-2 General Industrial District to I-3 Heavy Industrial District for specific properties within the McClintock - Rio Salado Parkway Redevelopment Area, consisting of 50.3 net acres.

Document Name: 2001101devsrh07

Supporting Documents: Yes

**SUMMARY:** In November of 1999, the City annexed a 110-acre county island, also known as the "Rio Salado Annexation Area". On March 30, 2000, Council approved I-2 Zoning to 103 acres of the 110-acre area. On June 7, 2001, redevelopment staff was directed by City Council to explore the possibilities of creating a redevelopment district from the recently annexed area. Redevelopment staff drafted and presented an agreement to property owners within the proposed redevelopment boundary and 65% of them signed the petition supporting the formation of the district. On September 13, 2001, City Council approved the formation of the McClintock – Rio Salado Parkway Redevelopment District. The current request is on behalf of property owners, of 35 parcels, who wish to rezone approximately 50.3 net acres to I-3, Heavy Industrial Zoning District. These properties are surrounded on all sides by existing industrial uses. The next phase of the redevelopment plan is to advertise a Request for Qualifications (RFQ). A master developer will be selected and produce a redevelopment and implementation plan for the redevelopment district. Planning and Redevelopment staff met with various property owners and received input regarding this process and request. On October 9, 2001, Planning Commission denied this request. Commissioners indicated that the I-3 zoning requested is not consistent with the General Plan and that there were no assurances that the Redevelopment Plan would eliminate the I-3 uses in the near future. Redevelopment Staff explained the redevelopment process regarding this request and the reasons why I-3 is supported at this time. Although staff understands Commissioners concerns, the Redevelopment Plan should address their concerns through guidelines and implementation tools.

**RECOMMENDATION:** Staff – Approval  
Public – Comments

- ATTACHMENTS:**
1. List of Attachments
  2. History & Facts/Description
  3. General Plan Conformance/Comments
  4. Recommendation / Reasons for Approval
- 
- A. Location Map
  - B. Redevelopment Staff Summary Report
  - C. Resolution No. 2001.44, Designation of the McClintock – Rio Salado Parkway Redevelopment Area
  - D. Acceptance of the Agreement to Establish a Redevelopment Area
  - E. Maricopa County Zoning Map, prior to annexation on 11/99
  - F. Letter from Property Owners of the Annexed Area, March 21, 2000
  - G. Planning Commission Minutes, October 9, 2001
  - H. Ordinance No. 2001.07

## **HISTORY:**

<u>July 10, 1997.</u>	City Council authorized the Public Works Director to enter into Development Agreements with property owners in the County Island per Resolution No. 97.38. The Development Agreement guarantees I-2 Zoning in exchange for signing a petition and agreeing to the annexation. The Zoning Ordinance establishes "grandfather rights" of existing uses and buildings
<u>September 24, 1998.</u>	City Council authorized staff to proceed with the annexation at a public hearing.
<u>October 14, 1999.</u>	City Council annexed the County Island by adopting Ordinance 99.34.
<u>February 22, 2000.</u>	Planning Commission procedurally denied a zoning change to I-2 for 103 acres, by a 3-1 vote. Commissioners Mattson, DiDimenico and Spitler dissented and Garth abstained due to conflict of interest. Four residents spoke in opposition to the zone change.
<u>March 30, 2000.</u>	Council held the second public hearing for a request by the City to rezone 103 acres of the Rio Salado Annexation Area from AG Agricultural to I-2 General Industrial. The zoning was granted by a 6-1 vote by Council. Several neighbors spoke, mostly in opposition to I-2 zoning. Many wanted I-3 zoning because that is the zoning they had in the County and would enable them to sell their properties to other I-3 businesses.
<u>June 7, 2001.</u>	City Council directed staff to explore the possibilities of creating a redevelopment plan of the area bounded by McClintock Drive to the west, Freeway 101 to the east, Rio Salado Parkway to the south, and Rio Salado to the north.
<u>August 28, 2001.</u>	Planning Commission continued this request. Previous continued dates: April 25, September 12, 2000; January 23, March 27, 2001.
<u>September 13, 2001.</u>	City Council approved the Development Disposition Agreement (DDA) with property owners and the McClintock - Rio Salado Parkway Redevelopment Area.
<u>October 9, 2001.</u>	Planning Commission denied the request for a zoning change from AG, Agricultural and I-2, General Industrial to I-3 on a 4-3 vote.

## **DESCRIPTION:**

Applicant - City of Tempe and H. L. Kelly, representing property owners  
Existing zoning - AG Agricultural , I-2, General Industrial  
Proposed zoning - I-3 Heavy Industrial  
Total site area - approximately 50.3 net acres

**GENERAL PLAN:** The General Plan 2020 Projected Land Use Map calls the subject area as Mixed Use. The mixed use category encourages development of creatively designed projects which combine residential, service, office and retail uses. The requested rezoning does not meet this designation but the future goal of the redevelopment plan does.

**CONFORMANCE:** These properties were originally zoned by Maricopa County as Rural - 43, IND 2 and IND 3 until November 1999, when they were annexed into the City of Tempe and automatically reverted to AG Agricultural. The proposed zoning change is from AG Agricultural and I-2 General Industrial to I-3 Heavy Industrial.

The land use for this 50.3 acres being rezoned has been primarily industrial with some residential and has been part of Maricopa County until the City annexed it last year. Eventually, the entire "McClintock - Rio Salado Parkway Redevelopment Area" is projected in General Plan 2020 to transition into the "Mixed Use" designation.

**COMMENTS:** In November of 1999, the City annexed the 110-acre county island, also known as the "Rio Salado Annexation Area". Through a Development Agreement, the City consented to grant I-2 zoning to the 85% of property owners who signed the petition in agreement with the annexation. On March 30, 2000, Council granted I-2 Zoning to 103 of the 110 acres. The current request is on behalf of property owners, of 35 parcels, who wish to rezone approximately 50.3 net acres to I-3, Heavy Industrial Zoning District.

The properties consist primarily of existing heavy industrial uses and buildings including the following: millwork manufacturing & planing yards, cement mixing plants, construction yards with storage tanks, salvage yards, metal recycling yards, and heavy manufacturing plants. Most of this 50.3 acres was previously zoned I-3 in the County which allows for the above-listed industrial uses.

The property owners submitted a narrative dated March 21, 2000 (attachment F). They stated that the area is adjacent to I-3 zoning to the east and wish to have appropriate zoning for their businesses, which is I-3 Heavy Industrial.

The property owners understand that the zoning ordinance establishes "grandfather rights" to all buildings and uses legally existing at the time of the annexation. They realize that they may expand up to 25% or sell their businesses. However, they are concerned that they cannot change the use to another I-3 use or sell the property to a different I-3 use in the future.

Before this area was annexed into the City of Tempe, only some of the properties in the Rio Salado Annexation Area had I-3 zoning. Approximately 30 acres, to the north of the area, was zoned Rural-43 in the County --a portion of it with a use permit for sand and gravel extractions -- and approximately 15 acres to the south of the area had IND-2 zoning in the County.

These properties are surrounded on all sides by existing industrial uses, therefore, staff believes industrial zoning is compatible with existing land uses. However, in the near future, the redevelopment plan should include office, retail, and light industrial uses as projected in the General Plan 2020 Land Use Map. While there is I-3 land to the east of these properties, the City has not zoned any land in Tempe as I-3 for many years. At this point in time, it is appropriate to rezone this site to the requested I-3 because the rezoning will allow the City to meet the agreement signed by property owners that supported the annexation process and the creation of the McClintock – Rio Salado Redevelopment Area. Staff recommends approval subject to the City of Tempe and the property owners agreement, dated September 13, 2001.

#### **Planning Commission**

On October 9, 2001, Planning Commission denied this request. Commissioners indicated that the I-3 zoning requested is not consistent with the General Plan and that there were no assurances that the Redevelopment Plan would eliminate the I-3 uses in the near future. Redevelopment Staff explained the redevelopment process regarding this request and the reasons why I-3 is supported at this time. Although staff understands Commissioners concerns, the Redevelopment Plan should address their concerns through guidelines and implementation tools.

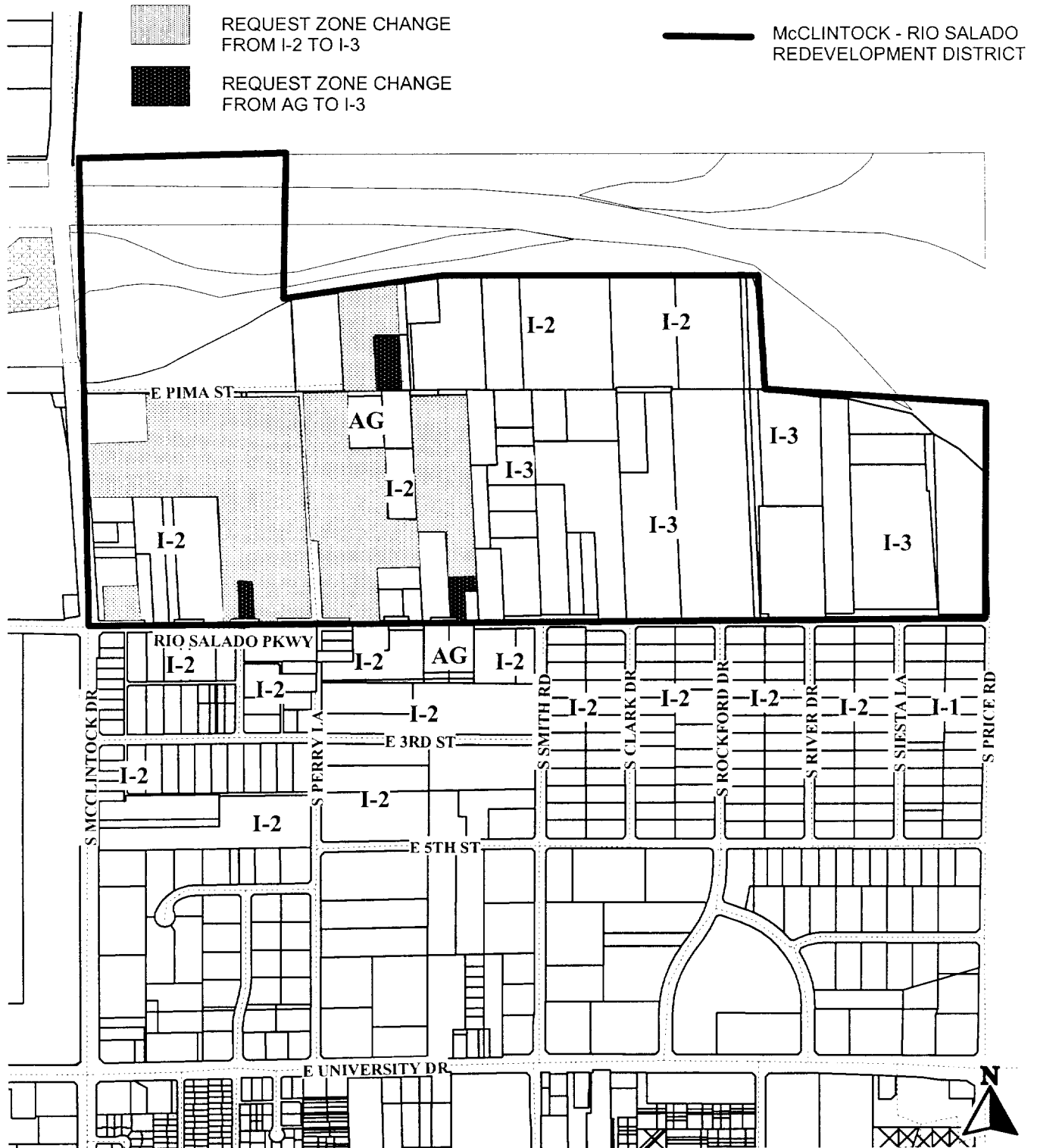
**RECOMMENDATION:** Approval of I-3 Heavy Industrial Zoning for those properties listed in DDA September 13, 2001 and the creation of the McClintock – Rio Salado Redevelopment District.

#### **REASON FOR APPROVAL:**

1. I-3 Heavy Industrial Zoning shall be a temporary designation since the redevelopment plan development guidelines should supersede any zoning classification within the district.
2. The formation of the Redevelopment Plan will allow the clean up of the environmentally contaminated parcels.
3. The redevelopment plan should open opportunities for the development community and property owners within this area to maximize the potential of this northeast area of Tempe.

# RIO SALADO ANNEXATION AREA

## ZON-2000.06



**Location Map**

# A

Staff  
Summary  
Report

B



To: Mayor and City Council  
Through: City Manager

Agenda Item Number \_\_\_\_  
Meeting Date: 09/13/01

**SUBJECT:** RESOLUTION NO. 2001.44 / DESIGNATION OF THE MCCLINTOCK-RIO SALADO PARKWAY REDEVELOPMENT AREA

**PREPARED BY:** Neil Calfee, Senior Planner (480-350-2912)

**REVIEWED BY:** Steve L. Nielsen, Community Design and Development Director (480-350-8028)

**BRIEF:** Request approval of Resolution 2001.44 designating the McClintock-Rio Salado Parkway Redevelopment Area and authorizing the preparation of a redevelopment plan for the Area.

**COMMENTS:** **RIO SALADO MASTER PLAN (0112-07-03) RESOLUTION NO. 2001.44**  
Request approval of Resolution 2001.44 for the designation of the McClintock-Rio Salado Parkway Redevelopment Area and authorizing the preparation of a redevelopment plan for the Area.

Document Name: 20010913devsrh09 Supporting Documents: No

**SUMMARY:** Resolution 2001.44 designates the McClintock-Rio Salado Pkwy Redevelopment Area and authorizes the creation of a Redevelopment Plan for the area.

**HISTORY AND FACTS:** At the June 7, 2001 meeting of the City Council, Staff was directed to explore the possibility of creating a redevelopment area for the 200+ acres at the northeast corner of McClintock Drive and Rio Salado Parkway. Included within this area is a large portion of the County Island that was annexed into the City in November 1999. Since the June 7<sup>th</sup> meeting, staff has sent out an agreement to establish a redevelopment area that provided several inducements in exchange for support for the formation of a district, 65% of the property area signed the agreement.

The Resolution authorizes the undertaking of a Community Development Block Grant Redevelopment Project to plan and carry out a comprehensive slum and blight removal and redevelopment program. Upon approval of the Resolution, Staff will prepare a Request for Qualifications (RFQ) that will call for a private sector development entity with specific expertise in environmental remediation and development to prepare and implement the redevelopment plan.

**FISCAL NOTE:** The preparation of the redevelopment plan for this area would be conducted, and paid for, by a private sector development entity. The implementation of that plan would also be the responsibility of that development entity, although it is anticipated that the City would have some form of partnership with that group to facilitate the redevelopment of this area, especially in the early years. In anticipation of that partnership, the City has applied for a \$3.5 million Section 108 loan guarantee from HUD, no money has been awarded at this time nor can these funds be allocated to this project without Council approval.

**RECOMMENDATION:** Approval of Resolution No. 99.13 and authorization to begin the redevelopment area planning process.

C

**RESOLUTION NO. 2001.44**

**A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF TEMPE, ARIZONA, RELATING TO REDEVELOPMENT AREAS; DESIGNATING THE MCCLINTOCK-RIO SALADO PARKWAY REDEVELOPMENT AREA AS A SUITABLE AREA FOR A REDEVELOPMENT PROJECT; APPROVING AN UNDERTAKING OF A COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM; AND DESIGNATING THE TEMPE CITY COUNCIL AS THE REDEVELOPMENT COMMISSION.**

\*\*\*\*\*

WHEREAS, under Title I of the Housing and Community development act of 1974, as amended (herein referred to as "Title I"), the Secretary of Housing and Urban Development is authorized to extend financial assistance to Cities in the elimination and prevention of the spread of their slums and urban blight through the planning and undertaking Community Development Block Grant projects; and

WHEREAS, Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color or national origin under any program or activity receiving Federal financial assistance and Executive Order 11063 prohibits discrimination on the basis of race, religion (creed), color sex or national origin in sale, lease or other disposition of residential property (including land intended for residential use) or in the use of occupancy thereof and Section 119 of the Rehabilitation Comprehensive Services and Development Disabilities Amendment of 1978 to Section 504 of the Rehabilitation Act of 1973 prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance; and

WHEREAS, A.R.S. §36-1475 and A.R.S. §36-1476 allow a municipality, by Resolution of its governing body, to delegate certain duties, obligations, powers and rights to a Redevelopment Commission; and

WHEREAS, the City Council of the City of Tempe does not choose to delegate any or all of the powers conferred upon it by Article 3, Chapter 12, Title 36, Arizona Revised Statutes; and

WHEREAS, it is desirable and in the public interest that the City of Tempe make surveys and prepare plans, acquire and manage property, relocate persons and businesses, clear land and conduct rehabilitation work in order to undertake and carry out Community Development Block Grant (CDBG) Redevelopment Project of the character contemplated by Title I, in the area proposed as the McClintock-Rio Salado Parkway Redevelopment Area, situated in the City of Tempe, County of Maricopa, and State of Arizona, which real property is generally described on attached Exhibit "A," incorporated herein by reference.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPE,** as follows:

SECTION 1. That the McClintock-Rio Salado Parkway Redevelopment Area described on attached Exhibit "A" is an area appropriate for a CDBG Redevelopment Project, and that the undertaking by the City of Tempe of a CDBG Redevelopment Project of the character contemplated by Title I in the proposed area is necessary in the interest of public health, safety, morals or welfare of the residents of the City and is hereby approved.

SECTION 2. That the McClintock-Rio Salado Parkway Redevelopment Area is an area in need of redevelopment under the provisions of A.R.S. §36-1471 et seq., and that the Development Services Department of the City of Tempe is hereby authorized and directed to carry-out a program of study and

planning leading to the preparation of a redevelopment and preservation plan for the designated area. Further that upon the completion of the redevelopment and preservation plan and its review by the Planning and Zoning Commission of the City of Tempe, that the plan be presented to the City Council for its adoption by ordinance.

SECTION 3. That the financial assistance available under Title I is needed to enable the City of Tempe to finance the planning and undertaking of the proposed Project.

SECTION 4. That the City is cognizant of the conditions that are imposed in the undertaking and carrying out of CDBG Redevelopment Projects with federal financial assistance under Title I.

SECTION 5. That the United States of America and the Secretary of Housing and Urban Development by, and they hereby are, assured of full compliance by the City of Tempe with regulations of the Department of Housing and Urban Development and in particular those effectuating Title VI of the Civil Rights Act of 1964 and applicable Executive Orders.

SECTION 6. That it is the consensus of this body, that a feasible method for the relocation of individuals and families displaced from the CDBG Redevelopment Project Area, in conformity with the requirements of Title I, can be prepared.

SECTION 7. This Resolution is passed and adopted to comply with the provisions of A.R.S. §36-1471 et seq., and in particular A.R.S. §36-1473.

SECTION 8. That the role of Redevelopment Commission as contemplated by Article 3, Chapter 12, Title 36, Arizona Revised Statutes, be under taken by the Tempe City Council which shall have all of the powers set forth therein,

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA,**  
this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**EXHIBIT "A"**

**LEGAL DESCRIPTION  
MCCLINTOCK-RIO SALADO PARKWAY  
REDEVELOPMENT AREA**

Three parcels of land being a portion of the Northeast and Northwest Quarters of Section 13, Township 1 North, Range 4 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

**Parcel 1:** The Northwest Quarter of the Northwest Quarter of said Section 13.

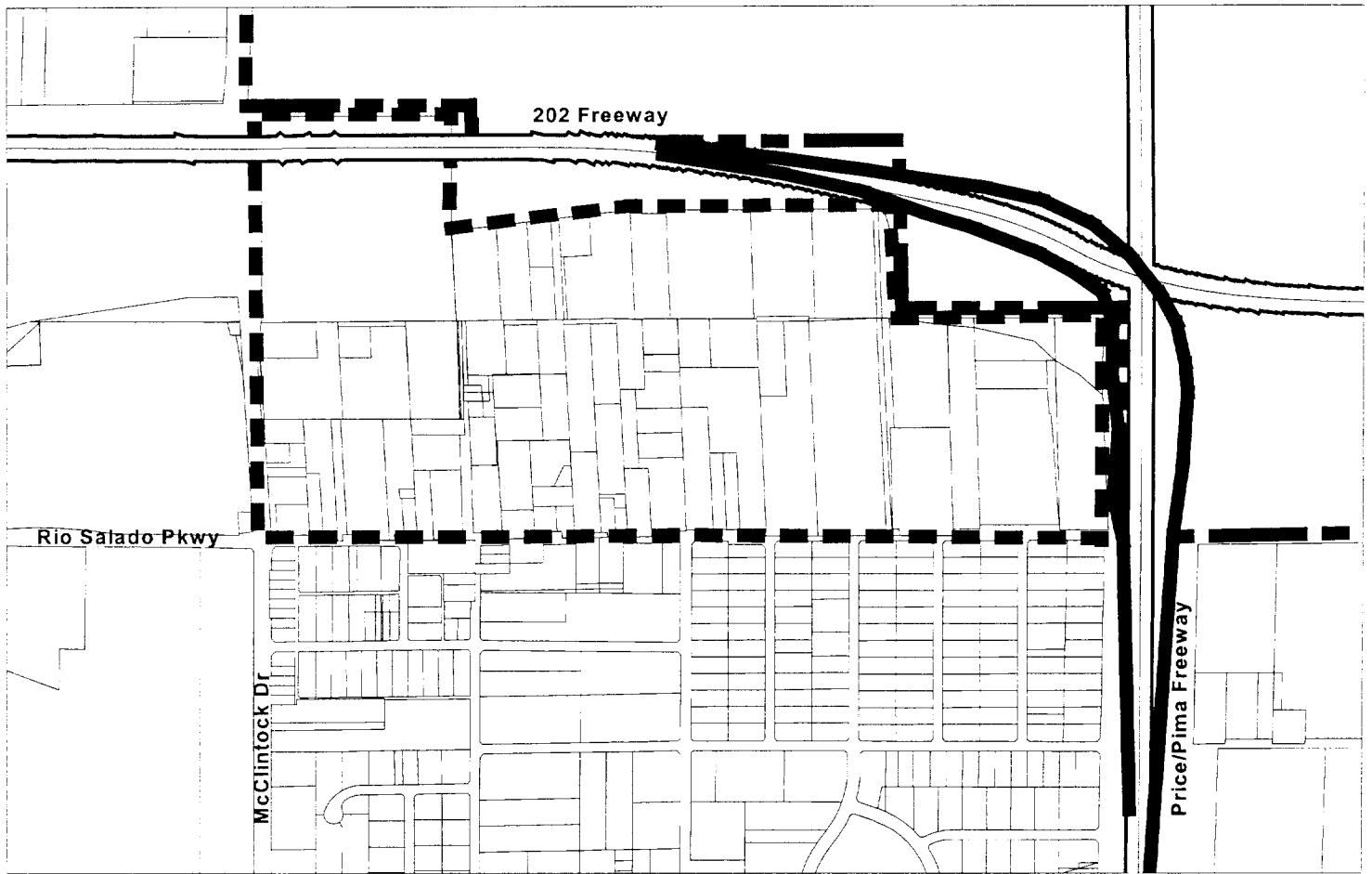
Excepting therefrom any portion previously dedicated to the City of Tempe for roadway purposes.

**Parcel 2:** All that portion of land described in Annexation Ordinance 99.34 as recorded in Maricopa County Recorder's Instrument Number 99-1046990.

Excepting therefrom Parcel 4 as shown on said annexation Ordinance 99.34

**Parcel 3:** That part of said Northeast and Northwest Quarters of said Section 13, bounded on the West by the West line of that certain parcel of land described in Annexation Ordinance 389 a recorded in Docket 4473, Pages 101 through 105, Maricopa County Recorder; on the North by North line of the South half of the North half of said Section 13; on the South by the South line of the North half of said Section 13; and on the East by the East line of the South half of the North half of said Section 13.

Excepting therefrom any portion previously dedicated to the City of Tempe for roadway purposes.



McClintock-Rio Salado Parkway Redevelopment Area

▲North



Redevelopment Area Boundary

D

Staff  
Summary  
Report



To: Mayor and City Council  
Through: City Manager

Agenda Item Number \_\_\_\_  
Meeting Date: 09/13/01

**SUBJECT:** ACCEPTANCE OF THE AGREEMENT TO ESTABLISH A REDEVELOPMENT AREA FOR THE 200+ ACRES AT THE NORTHEAST CORNER OF RIO SALADO PKWY AND MCCLINTOCK DR.

**PREPARED BY:** Neil Calfee, Senior Planner (480-350-2912)

**REVIEWED BY:** Steve L. Nielsen, Redevelopment Director (480-350-8028)

**BRIEF:** Request Council Approval for the Mayor to sign the Agreement to Establish a Redevelopment Area between the City of Tempe and selected property owners within the proposed McClintock-Rio Salado Parkway Redevelopment Area.

**COMMENTS:** Request Council Approval for the Mayor to sign the Agreement to Establish a Redevelopment Area between the City of Tempe and selected property owners within the proposed McClintock-Rio Salado Parkway Redevelopment Area.

Document Name: 20010913devsrh03

Supporting Documents: No

**SUMMARY:** The Agreement to Establish a Redevelopment Area was signed by 65% of the property owners within the proposed McClintock-Rio Salado Parkway Redevelopment Area. This document also contains a provision for Staff support for rezoning selected properties to I-3.

**HISTORY AND FACTS:**

At the June 7, 2001 meeting of the Tempe City Council, Staff was directed to explore the possibility of creating a redevelopment area for the 200+ acres of property bounded by Rio Salado Parkway on the South, McClintock Drive on the West, the Salt River Bottom on the North, and the Price/Pima Freeway on the East. A large portion of the County Island that was annexed into the City in November 1999 is included within this boundary. The intent of the redevelopment area would be to clean-up the environmental contamination that exists within much of the area and create new development opportunities for commercial/retail, residential, office and light industrial uses.

Understanding that several issues had been identified since the annexation process, the City proposed an agreement between the City and all property owners within in the proposed redevelopment boundary.

By signing the Agreement to Establish a Redevelopment Area (See Attachment “A”), property owners agreed to the formation of the redevelopment area and may have qualified for/or benefited from one or more of the following:

- For property owners who were annexed in 1999 and had I-3 zoning in the County, the City would agree to support the rezoning from I-2 to City of Tempe I-3 zoning.
- The City agrees to spend the \$900,000 in infrastructure, that was previously committed as part of the annexation, within the proposed redevelopment boundary.
- The City will issue a Request for Qualifications (RFQ) for a master planner/developer who would create the redevelopment plan for the area and implement that plan. The City will give weight in the selection process for a development team who has experience in environmental remediation as well as redevelopment. A preference will also be given for any developer who owns or who has developmental control of property within the proposed redevelopment area.

This agreement was signed by 65% of the property owners within the proposed redevelopment boundary.

Should the Council authorize the formation of the redevelopment district, those that did not sign the agreement would not receive the I-3 zoning (if they were initially eligible), but would still be in the district and benefit from the infrastructure improvements and other redevelopment programs. Those that did sign the agreement, and had I-3 zoning in the County, would be able to apply for I-3 zoning with Staff support.

**FISCAL NOTE:** The \$900,000 infrastructure commitment has already been allocated within the CIP for this purpose.

**RECOMMENDATION:** Authorize the Mayor to sign the Agreement to Establish a Redevelopment Area with the property owners in Attachment “B”.

**Attachment "A"**

Recorded at the request of:  
CITY OF TEMPE

When recorded, return to:  
CITY OF TEMPE BASKET

**AGREEMENT TO ESTABLISH REDEVELOPMENT AREA  
[CITY CONTRACT NO. \_\_\_\_]**

THIS AGREEMENT TO ESTABLISH REDEVELOPMENT AREA ("Agreement") is entered into as of the date executed by the CITY OF TEMPE, by and between the CITY OF TEMPE, an Arizona municipal corporation (which, together with any successor public body or officer hereafter designated by or pursuant to law, is hereinafter referred to as "City"), and the Property Owners of the real property to which this Agreement relates and who have executed this Agreement (the "Property Owners").

**RECITALS**

A. The Property Owners own certain parcels of real property located in the City of Tempe which are legally described in *Exhibit "A"* (the "Property") and generally situated between the Salt River to the north, the Rio Salado Parkway to the south, McClintock Road to the west, and the Pima Freeway to the east.

B. The Property was annexed into the municipal boundaries of the City pursuant to a Development Agreement between the Property Owners and others and the City recorded as Instrument No. 98-0545156, Official Records of Maricopa County, Arizona (the "Annexation Agreement"). Pursuant to the terms and conditions of the Annexation Agreement, the City agreed to provide municipal services to the Property, grant certain sales tax abatements to businesses operated within the Property and provide other development and operational incentives to and for the benefit of the Property as part of the consideration for the agreement of the Property Owners and others to permit the annexation of the Property.

C. The parties now desire and intend to enter into this Agreement in anticipation of the creation and establishment of the Property as a "Redevelopment Area" as defined in A.R.S. §36-1471(14), which, if established, is anticipated to result in improvements to, and new uses of, the Property and effect direct and indirect, substantial tangible and intangible benefits to the general public and the citizenry of the City, including, without limitation, the facilitation of the

expansion of industrial, commercial, retail and other businesses and the overall employment base in a key commercial and industrial area within the City.

D. The parties hereto acknowledge that this Agreement constitutes a "Development Agreement" within the meaning of Arizona Revised Statutes, Section 9-500.05, and that, in accordance therewith, this Agreement shall be recorded against the Property in the Office of the Maricopa County Recorder to give notice to all persons of its existence and of the parties' intent that the burdens and benefits contained herein be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**NOW, THEREFORE**, in consideration of the mutual agreements set forth herein, it is understood and agreed by the parties hereto as follows:

### **AGREEMENT**

1. **Rezoning of I-3 Parcels.** The parties hereto acknowledge that, prior to the annexation of the Property pursuant to the Annexation Agreement, certain parcels within the Property were zoned I-3 (heavy industrial) in Maricopa County. Such parcels are described and depicted by cross-hatching in ***Exhibit "B"*** attached hereto (the "I-3 Parcels"). After the Property was annexed into the municipal boundaries of the City, the City rezoned all of the Property, including the I-3 Parcels, to an I-2 (general industrial) zoning classification. The owners of the I-3 Parcels (the "I-3 Parcel Owners") desire and intend to obtain an I-3 zoning classification in the City with respect to the Property described in ***Exhibit "B"***. In connection therewith, all of the I-3 Parcel Owners executing this Agreement hereby authorize \_\_\_\_\_ to prepare and submit, on behalf of all of the I-3 Parcels, a rezoning application for the purpose of changing the zoning classification for the I-3 Parcels to I-3 (heavy industrial) (the "Rezoning Application"). The City hereby agrees that it shall accept the Rezoning Application and shall process such application as expeditiously as possible and otherwise work with the I-3 Parcel Owners in good faith to achieve such rezoning without unusual or extraordinary conditions or stipulations, and shall waive its application fees in connection with the Rezoning Application. Any Property Owners who have previously made application for a rezoning of their respective property hereby acknowledge and agree that, immediately upon the execution of this Agreement by the City, they shall withdraw all such pending applications.

2. **Redevelopment of Property.** The Property Owners and the City hereby acknowledge and agree that it is in the best interests of the Property Owners and the City and its citizenry to work together in good faith to redevelop the Property as a "redevelopment area" as defined in A.R.S. Section 36-1471(14). As a result, promptly after the date of this Agreement, the City shall initiate the process required pursuant to the provisions of A.R.S. Section 36-1471, *et seq.*, to classify the Property, together with additional adjacent real property depicted by cross-hatching in ***Exhibit "C"*** attached hereto and incorporated herein by this reference (collectively, the "Redevelopment Area"), as a redevelopment area. Such actions shall include preparing and processing all redevelopment plans, resolutions, applications and other documents and materials necessary to establish the Redevelopment Area as a redevelopment area in accordance with the

provisions of A.R.S. Section 36-1471 *et seq.* The Property Owners shall, to the extent necessary, execute and deliver such documents and instruments which the City may need or require in connection with the establishment of the Redevelopment Area as a redevelopment area; provided, however, that the City hereby expressly agrees that it shall not adopt a redevelopment plan for the Redevelopment Area until the date that is thirty-one (31) days after the rezoning of the I-3 Parcels as described in **Section 1** above is approved by the City with no referendum petition having been filed with the City Clerk.

3. **Request for Qualifications.** The Property Owners and the City hereby acknowledge and agree that, at such time, if at all, that the Property is classified as a Redevelopment Area in accordance with the provisions of A.R.S. Section 36-1471, *et seq.*, the City shall issue to the general public a request for qualifications for a redeveloper as defined in A.R.S. Section 36-1471(13) (the "Redeveloper") for the Redevelopment Area (a "RFQ"). In connection with the RFQ, the City shall set forth specific parameters and other qualifying criteria for such Redeveloper, which shall include, without limitation, the following:

(a) The City's preference to select a Redeveloper who owns or who has legally binding development control of real property within the Redevelopment Area on the date of response to the RFQ.

(b) The Redeveloper must have a thorough knowledge of the existing environmental conditions affecting the Redevelopment Area and be able to establish that it has knowledge and experience in the means and methods of remediation of any adverse environmental conditions affecting the Redevelopment Area, including a working knowledge of any federal, state or local funding sources and programs relating to the payment of the costs associated with the remediation of environmentally-contaminated properties, brownfields and the like, and the availability of insurance relative to the protection of rights and interests of owners of environmentally-contaminated property.

(c) The Redeveloper shall have prepared a viable redevelopment plan for the Redevelopment Area, which is based upon an economic analysis of the highest and best land uses for the Redevelopment Area, taking into consideration the location of the Redevelopment Area, unusual or unique site conditions, and existing and new land uses for the Redevelopment Area which will accommodate the needs and requirements of existing or new commercial businesses in the City.

(d) The Redeveloper must be able to establish that it has substantial experience in the development and/or redevelopment of commercial, industrial and mixed-use real property.

(e) The Redeveloper shall have a thorough knowledge and substantial experience in the design, construction, installation and financing of off-site and on-site public and private infrastructure improvements, including the infrastructure needs of the Redevelopment Area, including streets, wet and dry utilities, drainage retention and the like.